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DOT Releases Study: St. Lawrence Seaway System Economic Growth Outpaces Inflation

The U.S. Department of Transportation's Saint Lawrence Seaway Development Corporation (SLSDC) today announced the release of an economic impact study of the Great Lakes St. Lawrence Seaway System. Since the last comprehensive study in 1991, the report shows that economic growth has outpaced inflation in the U.S. St. Lawrence Seaway System.

According to the study, employment has increased to more than 150,000 jobs, revenues have increased by 96 percent to \$3.4 billion, and federal, state, and local tax revenue generated by the System increased to \$1.3 billion. In 2000 alone, the System moved 192 million tons, nearly 70 million more than in 1991.

The study, commissioned by the SLSDC and carried out by Martin Associates of Lancaster, Pa., estimates the annual economic impact of the Seaway System on 16 port communities in eight states during the 2000 shipping season. A computer model captured the specific impact on commodity mix, labor and port productivity. The impact was estimated for all cargo moving through each port, including U.S.-Canadian cross-lake traffic and international cargo moving through the St. Lawrence Seaway.

"The Great Lakes Seaway System continues to deliver – for its port cities, for the region and for our nation," said SLSDC Administrator Albert Jacquez. "The strength and vitality of the System lies with all the people who make it work. The study's numbers bear that out. If in the years ahead we hope to ensure the System's success, we should applaud this positive news and take the next bold steps to build the future of this valuable national resource."

"Speaking on behalf of the U.S. ports on the Great Lakes, we are proud to contribute to economic vitality of America's gateway to the Atlantic," said John E. Jamian, president of the American Great Lakes Ports Association. "A decade of hard work, bi-national cooperation and spirited competition is clearly in evidence. We commend all the stakeholders of the Great Lakes Seaway System for the strong growth in jobs, revenues and tonnage."

At the annual meeting with the American Great Lakes Ports Association in Washington, D.C., Jacquez discussed the report's findings and outlined his vision for improving the Seaway System's economic impact.

Highlights of the economic impact study of the St. Lawrence Seaway System:

- Maritime activity generated \$3.4 billion in annual business revenue to firms providing transportation and cargo handling services.

- 43,968 directly employed residents of the region received \$1.6 billion in annual wages and salaries. The increase in direct jobs was 30 percent compared to the 1991 figures, surpassing the national increase in employment for that same period by 50 percent.
- Shipping iron ore created the largest job impact, followed by coal, iron and steel products, and sand and gravel products.
- Iron and steel products produced the largest job impact on a per ton basis.
- The System's economic activity generated \$1.3 billion in local, state and federal tax revenue for 2000.
- For the 2000 shipping season, the System provided \$1.2 billion in cost savings versus other transportation modes, to steel mills, utilities and other key industries located in the eight state Great Lakes region.
- Ore, coal, grain, cement, stone and aggregates, salt, and iron and steel products accounted for 88 percent of System tonnage.

Underscoring the importance of the System, the report points out that without this transportation system, it is unlikely that these industries would have initially located in the Great Lakes area, nor could they maintain their current operations at competitive costs.

The study incorporates the data and study from 16 U.S. St. Lawrence Seaway System ports: Ashtabula, Ohio; Buffalo, N.Y.; Burns Harbor, Ind.; Chicago, Ill.; Cleveland, Ohio; Conneaut, Ohio; Detroit, Mich.; Duluth, Minn./Superior, Wis.; Erie, Pa.; Gary, Ind.; Green Bay, Wis.; Lorain, Ohio; Milwaukee, Wis.; Ogdensburg, N.Y.; Oswego, N.Y., and Toledo, Ohio.

The SLSDC plans to use the economic impact analysis as a tool to assist future port development and for system-wide modernization planning. The study outlines the analysis of specific business sectors and ports, commodities, and methodologies for deriving the employment, revenue, income, and tax impacts. The complete study is available online at www.greatlakes-seaway.com.